

10 Things You Should Know About Federal Statistics

1. They provide the measurements by which we judge progress in America.

Nationally and globally accepted measurements of economic growth, standards of living, health status, educational outcomes, international competitiveness, and other critical performance measures come directly from federal statistical surveys and analysis.

2. Hundreds of thousands of businesses, local governments, researchers and investors rely heavily on the availability of statistics that only the federal government can effectively collect. For example: Retailers use federal statistics to decide where to site new stores across the country. Counties use them in planning transportation and in tracking to determine when and where new schools will be needed. Financial markets are moved by and function better as a result of federal provision of data on such things as natural gas stocks and corn acreage.

3. They are used to make sure that federal program funding is allocated to the right places. Over \$515 billion/year in federal government grants to state and local governments are distributed on the basis of formulas that use federal population and/or income statistics. These include the Medicaid and Federal-Aid Highway programs, block-grants for education and community development, among others.

4. They affect everyday people's pocketbooks.

For example, The Federal Reserve System uses federal economic indicators, including the Gross Domestic Product (GDP) in setting interest rates which, in turn, determine mortgage and other lending rates. The Consumer Price Index, a key inflation gauge, is, by law, the basis for cost-of-living increases in social security payments and the index for income tax brackets.

5. They are safeguarded from political manipulation.

Longstanding policies and procedures¹ prohibit interference by politicians and political appointees in the reporting of important indicators as far ranging as GDP and unemployment figures to agricultural production and money stock measures. Sensitive survey results and indicators are prepared exclusively by career professional staff. Most often they are not given to political appointees until the same time they are released to the press and the general public.

6. You can be confident that federal statistics accurately represent the characteristics of the populations, places, or groups of businesses surveyed to obtain them. They come from carefully designed surveys with adequate sample size and assurances that no subgroups are left out. If there are not enough people/places/households/businesses who respond to a survey in a given group/geographic area/classification, then no statistics will be reported. Accuracy and reliability trump extent of coverage.



7. The privacy of people and businesses surveyed for federal statistical collections and the confidentiality of their information are staunchly protected.

Adequately sized and representative samples also make it impossible to "pick out" an individual business or person when averages of survey responses are released. No statistical data leave an agency with names or addresses attached. Lists of surveyed people and businesses are safeguarded according to strict confidentiality standards. Privacy trumps all.

8. Confidence intervals and other aids to the interpretation of results accompany most federal statistical releases and are readily available on the agency's website if not in the release. There is no question about how much confidence you can place on the accuracy and representativeness of any given federal survey result: The limits of estimates' accuracy (confidence intervals) and forecasts' errors are published along with the statistics and indicators themselves. The methodology employed by federal statistical agencies is transparent and publicly available. And, if the way that a given federal series is collected has to be changed, clear documentation of the change and the potential impact on the estimates are provided to allow users to continue to make appropriate comparisons over time, tracking progress or detecting trend-shifters.

9. What's available to one is available to all; Federal statistics are public goods.

Anyone from term paper-writing students to the Chairs of Congressional Committees can access the same federal statistics at the same time, 24/7 - for free!

10. The federal statistical system provides a range of statistical products needed to inform policy makers, businesses, and citizens that could not reasonably be provided by the private sector. In addition to the fact that free and equal access does not fit well into profit-making business models, standardization and consistency are hallmarks of federal agencies' role as curators of the statistics upon which so many rely. Private firms and academic institutions are employed by federal statistical agencies to perform a wide variety of survey and analytical functions, but they do so according to standards and practices set by the federal government, and in keeping with government privacy rules. Curating by the government assures that important data can be made consistent over time -- you can follow trends, confident that you're not comparing apples to oranges, as could be the case if multiple firms were competing to collect the same data. Perhaps the most federally inherent feature is that widely available federal statistics and indicators inform the entire U.S. citizenry, regardless of position or income level, enabling them to participate effectively in the process of democracy.

¹ Statistical Policy Directive #3, Compilation, Release and Evaluation of Principal Federal Economic Indicators ([FR Doc. 84-22905 Filed 9-24-85) and Statistical Directive #4, Release and Dissemination of Statistical Products Produced by Federal Statistical Agencies (FR/ Vol. 73, No. 46 / Friday, March 7, 2008).